Wealth Markets and Commerce

Finance - Economics

WALL STREET OFFICE: Mills Building, 15 Broad St. Telephone: Hanover 6514

Before the war about 40 per cent of the dealings on the New York Stock Exchange were in railroad issues. Yesterday approximately 90 per cent of the turnover was in industrial and miscellaneous stocks and only 10 per cent in railroad shares. That is about the average contribution of the transportation group to the total of stock transactions, and is, therefore, a fair measure of their present speculative importance. One reason for this inactivity is that the industrials furnish greater speculative possibilities because of increased earnings and carnings and interest has therefore centred in them; another is that, for the duration of the war at least, and perhaps longer, railroad stocks are in a position comparable to that of bonds. Earnings are guaranteed, but they are also limited, and no matter what changes take place in business conditions the carriers will not be affected, except to the extent that the purchasing power of earnings may decrease as prices rise. There is, therefore, little attraction for the speculator, since he gambles on uncertainties of the future, and the future earnings of the carriers are a certain guaranty for an indefinite period. And beyond that period lies one in which it is practically sure that the carriers will be subjected to closer control than they ever were in the past; and the closer the control the smaller the opportunities for speculation will be. It is probably true, as a railroad authority remarked yesterday, that the market for railroad shares will become constantly narrower as time passes, and that eventually speculation in them will become negligible in volume.

Freight Car Shortages And Credit Starvation

Mr. Sisson Says "Failure" of the Railroads Was Due Primarily to Government Interference

Financial Editor of The Tribune:

Sir: Recent comment in your column concerning the question of car shortage and transportation efficiency seems to me to lead to some inaccurate conclusions, which I am sure was not your intention.

That anybody can, under present conditions, question whether or not facilities are, or for over two years have been, adequate illustrates the temptation to make conclusions first and try to get facts to support them afterward. It can be shown that during most of the time from 1907 to the fall of 1916 the capacity of the railroads exceeded the demands made upon them. In other words, during most of this time net surpluses of freight cars were reported, and for many dates they were very large. In March, 1916, however, a car shortage was reported. It disappeared, but returned on September 1, 1916, and in all the twenty months since then net car shortages have been reported, which have run to a maximum of 34,000 to a maximum of 149,000 cars. During the first seven months of this twenty consecutive months of car shortage the country was at peace, while in the last thirteen months of it the country has been at war.

What Car Shortage Means

In other words, while our entrance into the war has intensified the car shortage it did not produce it. Now if a car shortage of such magnitude for twenty months does not demonstrate inadequacy of railway facilities, I do not know how many months of car shortage would be required to demonstrate it. What does net car shortage mean? It means simply that the railways are unable to furnish to the shippers the means of transporting all the freight which the shippers asked them to transport. I cannot conceive of any more tangible and conclusive evidence of the inadequacy of facilities than that.

It is entirely true that the operating efficiency of the railroads, owing largely to the restrictions put upon them by state and Federal laws, was not as great as it has been under centralized government regulation in which these laws and rules have been disregarded. It is true likewise that the average car loading rises under the pressure brought to bear on shippers and carriers alike; and it is obviously true that the chaos precipitated by government priority orders hopelessly entangled the government transportation service and contributed an important part to the congestion of last winter.

These facts, however, should not blind us to others equally true. In discussing the problem of the adequacy of transportation the question is not whether the carriers have been able to handle an increasing amount of traffic, but whether they have been able to handle all of the traffic offered to them. The increase in the years 1914 and 1915, but since the fall of 1916 it has been far short, and the disparity between the amount of transportation service available and the amount demanded has increased with fluctuations ever since. If the railways did not or have attempted to point out, fundamentally to the failure of railroad credit to meet the demands of transportation requirements. A shortage of cars, motive power, shop equipment, terminals and trackage, all contributed to the end. Moreover the effect of these shortages was inevitably to prevent mines, factories and industrial concerns from operating to their full capacity, so that not only was transportation unable to meet the freight already offered, but its shortage prevented much freight from being offered.

I cannot believe that you would seriously maintain the position that "there is no shortage of cars," as stated in your request for greater efficiency and movement in car loading. The statement in this connection that the average freight car moves about one-half full is most inaccurate. About one-third of the cars moved on the railways are empty because of an extraordinary flow of traffic moving in one direction is much heavier than the opposite movement in the other. Therefore, the most important question pertaining to the efficiency with which cars are operated is the ratio between their capacity and the loads moved in them when they are loaded. The latest information we have regarding the average capacity per freight car is given in the statistics of the Interstate Commerce Commission for the year ended June 30, 1916. The average capacity of all cars at that time was 40½ tons. The average capacity is probably not much more than that now, since so few new cars have been added since then.

Statistics compiled for the Railroads War Board show that in 1916 the railways handled 25 tons per loaded car, which was 62 per cent of the average capacity at that time, while in 1917 they handled 27.3 tons per loaded car, which was 67½ of the average capacity reported in 1916. In other words, the average loaded car, instead of moving less than one-half full, moved more than two-thirds full. The railways never operated their cars and locomotives so efficiently as they did in 1917 up to the time when priority and preference orders began to be made. But, as I have shown, the net car shortage prevailed before there were any priority and preference orders.

Extent of Deficiency

Immediately after Mr. McAdoo came into office as Director General of Railroads he abolished priority and preference orders, and since then the complications due to these causes have not existed. The car shortage has continued just the same, however. The railways handled more traffic in February, 1918, than they did in February, 1917, and still on March 1 the net car shortage was almost 140,000 cars. Furthermore, there were in effect at that time numerous embargoes which prevented shippers from ordering cars that they would have ordered if the existence of these embargoes had not made them aware that it would be useless for them to ask for them. If shippers had been asking for cars in the normal way the net car shortage reported on March 1 might easily have been 200,000.

Some people attribute the inability of the railways to handle the business offered to abnormal growth of traffic, as well as to complications caused by priority and preference orders. It is true that there was an abnormal increase of traffic in 1916 over the immediately preceding years. The statistics of the Interstate Commerce Commission show that between 1906 and 1916 the increase in the volume of freight traffic was only 60 per cent, while between 1896 and 1906 it was 125 per cent. As large as the traffic of 1916 was, compared with that of 1915, it did not represent a normal growth over that of 1906. Why, then, did it result in a protracted car shortage? Simply because during the preceding ten years the productive capacity of the country had increased faster than its transportation capacity and so much faster that the transportation facilities had become inadequate.

Whatever causes may have contributed to the failure of the railroads to meet the demands made upon them, it is very certain that the major cause was the failure of the roads to make adequate provision for the growth in the country's commerce. The explanation of this failure I have attempted to make. Briefly, it may be summed in the words "lack of credit owing to government interference." No amount of dust in the eyes can blind the unprejudiced investigator to this monumental fact.

F. H. SISSON,
Vice-President,
The Guaranty Trust Company.
New York, April 26, 1918.

Note.—In the comment to which Mr. Sisson refers exception was taken to the statement that the statistics showing decreases in railroad extensions proved conclusively that the railroads had not kept pace with the growth of the country. It was pointed out that while railroad extensions recently have not been as great as in earlier years, the service rendered by the carriers had increased quite as much as the expansion in commerce, and that the railroads did not "break down" until the transportation machine became clogged with needless priority orders. (In Mr. Sisson's own statement, loaded freight cars are carrying, on the average only two-thirds of capacity—an increase of one-third, if remedied to only a slight extent, would more than offset the present "car shortage." It is a significant fact that those roads—the Southern Pacific, for example—which achieved the most notable records in car performance had much less difficulty in handling the vast volume of freight they were called upon to move than did the less efficiently managed roads.—Financial Editor.

Money and Credit

There was a plentiful supply of call money at the Stock Exchange yesterday at 4 per cent, which was the ruling rate for the day. At the close when most of the demand had been satisfied the rate declined to 3 per cent.

Very little money for fixed periods is being loaned, and the rate is held firmly at 6 per cent. A few loans were reported yesterday for forty to fifty-day periods at 6 per cent.

Ruling rates for money yesterday, compared with a year ago, were as follows:

	Yesterday. Per cent.	Year ago. Per cent.
Call money	4	2¼
Time money (mixed collateral):		
Sixty days	6	4
Ninety days	6	4¼
Four months	6	4¼
5 to 6 months	6	4¼

Commercial Paper.—The market continues dull and what little demand there is coming from out of town institutions. The best paper is moving on a 6 per cent discount basis.

London Money Market.—LONDON, April 25.—The money market to-day and discount rates were steady. Money ruled at 2¾ per cent. Short bills were 3½ per cent; three months' bills at 3½ per cent. Gold premium at Lisbon, 130.

Bank Acceptances.—A substantial volume of business is being done in bank acceptances and eligible member bank bills of all dates are changing hands freely. Rates were unchanged yesterday, as follows:

Spot delivery:	Thirty days. Per cent.	Sixty days. Per cent.	Ninety days. Per cent.
Eligible member banks	4⅛@4	4⅛@4	4⅛@4
Eligible non-member banks	4¼@4⅛	4¼@4⅛	4¼@4⅛
Ineligible bank bills	5¼@4¾	5¼@4¾	5¼@4¾

For delivery within thirty days:	Per cent.
Eligible member banks	4½
Eligible non-member banks	4½
Ineligible bank bills	6

Discount Rates.—The following table gives the current rates of the twelve Federal Reserve banks on commercial paper on all periods up to ninety days:

	Maturity: Within 15 days including member banks' collateral notes.	16 to 60 days inclusive.	61 to 90 days inclusive.
Boston	4	4¾	4¾
New York	4	4¾	4¾
Phila	4	4¾	4¾
Cleveland	4½	4¾	4¾
Richmond	4¼	4¾	4¾
Atlanta	4	4¾	4¾
Chicago	4	4¾	5
St. Louis	4	4¾	4¾
Minn	4	4¾	5
Kan City	4	4¾	4¾
Dallas	4	4¾	5
San Fran	4	4¾	4¾

Bank Clearings.—The day's bank clearings at New York and other cities:

	Exchanges.	Balances.
New York	$530,129,482	$48,165,458
Boston	48,200,063	14,725,391
Philadelphia	63,024,917	12,379,621

Sub-Treasury.—The banks lost to the Sub-Treasury yesterday $789,000.

Silver.—Bar silver in London was 49⅛d, unchanged; New York, 99½c, unchanged; Mexican dollars, 77c, unchanged.

Gold Exports.—Gold coin to the amount of $107,000 was withdrawn from the Sub-Treasury yesterday for shipment to Mexico.

Bank of England.—LONDON, April 25.—The weekly statement of the Bank of England showed practically no change in gold holdings. The proportion of reserves to liabilities now stands at 17.74 per cent, compared with 17.71 per cent a week ago. The statement, with the changes from last week, follows:

Gold	£60,435,840	Inc.	£9
Reserve	31,149,000	Dec.	515,000
Nts. reserve	30,426,000	Dec.	543,000
Circulation	48,409,000	Inc.	524,000
Pub. dep	34,639,000	Dec.	5,121,000
Other dep	140,275,000	Inc.	1,923,000
Gov. sec	56,724,000	Dec.	1,589,000
Other sec	104,812,000	Dec.	1,108,000

Bank of France.—PARIS, April 25.—The weekly statement of the Bank of France shows the following changes, in francs:

Gold in hand.	5,378,252,000	Inc.	1,121,000
Silver in hand.	255,994,000	Inc.	494,000
Notes in circulation.	26,396,180,000	Inc.	164,480,000
Treasury deposits.	56,689,000	Inc.	13,789,000
General deposits.	3,332,449,000	Inc.	100,747,000

The Dollar in Foreign Exchange

After early strength Italian exchange eased off yesterday, lire closing at 8.94 for checks. Swiss exchange displayed a firmer tone on a small turnover. Sterling and francs were quiet and firm. Spanish pesetas, after an early decline, closed unchanged.

Closing rates yesterday, compared with a week ago, follow:

(Quoted dollars to the pound.)	Yesterday.	Week ago.
Sterling, demand	$4.75 7/16	$4.75 7/16
Sterling, sixty days	4.73	4.73
Sterling, cables	4.76 7/16	4.76 7/16
Sterling, ninety days	4.71	4.71
(Quoted units to the dollar.)		
Francs, checks	5.71⅞	5.72¼
Francs, cables	5.69⅞	5.70¾
Lire, checks	8.90	8.89½
Lire, cables	8.92½	8.88
Swiss, checks	4.27	4.26
Swiss, cables	4.22	4.23
(Quoted cents to the unit.)		
Guilders, checks	47½	47½
Guilders, cables	47½	47½
Rubles, cables	13.25	13.25
Stockholm, kr., checks	33.50	33.25
Copenhagen, kr., checks	30.75	30.50
Pesetas, checks	27.50	28.75

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.75⅝	$4.86⅝
Francs	0.17.4	0.19.3
Guilders	0.47	0.40.2
Rubles	0.13.25	0.51.2
Lire, checks	0.11.30	0.19.3
Crowns (Denmark)	0.30.75	0.26.8
Crowns (Sweden)	0.33.50	0.26.8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, $4.75⅝. The intrinsic parity is $4.86⅝ per pound. Thus you may say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

Cotton Again Slumps Violently; May Drops $8.80

Exchange Frowns on Unnecessary Speculation as Market Weakens

Cotton prices broke violently in the local market yesterday when a continuation of the liquidating sales that have kept the trade in a turmoil of unsettlement for a fortnight hammered quotations to the lowest level reached on the current movement. May contracts showed the greatest weakness, selling off to 26.04 cents, or approximately $8.80 a bale below the Wednesday closing price, and $42.30 a bale below the high record established early in the month. Contracts closed at about the lowest prices of the day, or 100 to 180 points off. The general market level is now the lowest since last fall.

When the excitement produced by the break in prices was at its height, President Shutt, of the Cotton Exchange, notified members that the board of managers would regard with "extreme disfavor" any action tending to cause unnecessary and extreme variation in the price of cotton. At the opening prices tumbled approximately $4 a bale and while Wall Street was a buyer, cotton came out in large quantities through wire houses with Southern connections. After temporary slackening in offerings selling was renewed late in the day on fears of possible price-fixing. Japanese interests were reported to have bought heavily on the slump.

The talk around the ring suggested that the break was more largely due to apprehensions of work reaching, evidently failed to carry conviction. On the contrary, rather active selling of July here for Southern account was believed to be against actual cotton, and the opinion was expressed on the late break that Southern holders had lost confidence and were trying to sell hedges. There was enough covering to cause slight rallies once or twice during the day, and it seemed that every bulge met cotton from one source or another, and at the end of the day did the market show greater weakness than in the late trading. Exports for the day were 6,730 bales, making 3,186,895 so far this season. Southern spot markets were irregular with prices unchanged to 15 points lower.

	Yester-day.	Day before.	Year ago.
Cash	27.55	29.40	20.15
Contract:			
May	26.00	27.80	19.87
July	26.00	27.65	19.65
October	25.55	26.65	18.62
December	25.33	26.35	18.70
January	25.15	26.25	18.74

Elections

Lindsay Hopkins has been elected a director of the American Malting Company.

J. Roby Penn, vice-president of the Midwest Refining Company, has been elected vice-president of the Merritt Oil Corporation.

George H. Houston has been elected president of the Wright-Martin Aircraft Company; Henry M. Crane, vice-president; Frank S. Reitzel, vice-president; William F. McGuire, vice-president; O. J. Ridenour, secretary, and R. H. Sutherland, treasurer. W. Hinckle Smith, F. B. Adams, F. W. Allen, H. B. Sutphen, J. F. Alvord, H. J. Park, T. L. Chadbourne, G. Q. Palmer, A. J. Dodge, T. F. Manville, H. D. Gibson, N. Bruce MacKelvie, R. E. Graham, C. S. Jennison, G. H. Houston and William F. McGuire were elected directors.

Matthew T. Murray, jr., resident attorney of the Guaranty Trust Company, has been elected secretary of that company, succeeding Frederick W. Ellsworth, resigned.

Corn Products Earnings

The Corn Products Refining Company in the three months ended March 31 earned a surplus for dividends of $3,342,029, according to the quarterly report issued yesterday. After payment of dividends on the preferred stock amounting to $521,971 there was a balance of $2,820,058, equal to $5.66 a share on $49,777,333 common stock, compared with $4.92 a share earned in the first quarter of 1917. The net earnings of the first quarter of the current year before interest and depreciation charges were $3,912,843, an increase of $239,628.

Significant Relations

Money and Prices:			
	Now.		A year ago.
Stock of money gold in the country	$3,042,708,319		$3,088,904,808
	Dec. 31, 1917.		Nearest period previous year.
Loans of all national banks	$9,390,836,000		$8,340,626,000
	Last week.		A year ago.
Bills discounted and bought by Federal Reserve Banks	$1,116,322,000		$102,622,000
Federal Reserve notes in circulation	1,833,149,000		414,357,000
Total gold reserve			*958,171,000
	Yesterday.	The day before.	A year ago.
Average price of fifty stocks	74.30	74.46	87.08
Average price of twenty-five bonds	84.99	85.13	92.99
	Last week.	The month before.	A year ago.
Food cost of living (Annalist index number)	291.404	288.811	270.033
	April 1.	March 1.	A year ago.
General commodity price level (Dun's index number)	230.313	227.977	190.012
Production:			
	March 31.	Feb. 28.	March 31, 1917.
Unfilled U. S. Steel orders, tons	9,056,404	9,288,453	11,886,591
	March.	February.	A year ago.
Pig iron (daily average), tons	103,648	82,835	104,882
	1917 yield (estimated).		1916 crop.
Wheat crop, bushels	650,828,000		636,318,000
Corn crop, bushels	3,159,494,000		2,566,927,000
Oats crop, bushels	1,587,286,000		1,251,837,000
Cotton crop, bales	10,949,000		11,449,930
Distribution:			
	Increase or decrease from year before: 17 roads first week of April.	Month of Feb.	Jan. 1 to Feb. 28.
Gross railroad earnings	+9.9%	+9.3%	-1.4%
	Increase or decrease from year before: Last week.	Week before.	Jan. 1 to date.
Bank clearings	+6.9%	-1.4%	+5.8%
General:			
	Feb. 28.	Jan. 31.	A year ago.
Active cotton spindles	33,615,110	33,552,732	33,122,450
	March.	February.	A year ago.
Commercial failures (Dun's): Number	1,082	980	2,232
Liabilities	$17,087,331	$12,829,182	$17,406,096
	March, 1918.		March, 1917.
Building permits (Bradstreet's) (148 cities)	$36,565,279		$81,336,583

*Gold held by Reserve agents against circulation included in general fund beginning June 23, 1917. For purposes of comparison it is included in the 1917 figures.

Market Barometers

Stock Exchange Transactions

Stocks	Railroads.	Other stocks.	All stocks.
Yesterday	20,700	255,500	276,200
Day before	20,800	373,500	394,300
Week ago	20,400	505,800	526,200
Year ago	124,200	839,900	964,100
January 1 to date:			
1918	4,670,600	34,288,900	38,959,500
1917	6,811,600	55,079,500	61,891,100
1916	6,606,000	49,346,600	55,752,600

Bonds	Yesterday.	Day before.	Year before.
Governments	$3,043,000	$4,782,000	——
Railroads	312,000	444,000	$1,287,000
Others	761,000	822,000	3,612,000
All bonds	4,116,000	6,048,000	4,899,000

January 1 to date:	1918.	1917.
Governments	$250,420,000	$235,000,000
Railroads	55,632,000	112,747,000
Others	107,223,000	255,129,000
All bonds	413,275,000	368,211,000

Stock and Bond Averages

Stocks	Yester-day.	Day before.	Year ago.
20 Railroads	67.25	67.50	84.70
30 Industrials	79.00	79.10	88.70
50 Stocks	74.30	74.46	87.08
Bonds			
10 Railroads	79.16	79.43	88.82
10 Industrials	90.85	91.07	95.02
5 Utilities	84.92	85.10	97.14
25 Bonds	84.99	85.13	92.99

Relevant Comment

More Shell Contracts

Unofficial advices received in the iron and steel trade from Washington yesterday were to the effect that new shell orders, aggregating about $50,000,000 are ready for distribuion by the Ordnance Department. It is understood that the contracts will go largely to companies which are now making shells and will practically mean a duplication of their present orders.

Britain Gets Copper in Australia

The Copper Producers' Association of Australia has accepted an offer from the British government, according to "The Iron Age," for the Australian output of copper, with the exception of what is required for local consumption up to June 30 next. The contract was made several weeks ago. The amount involved is $10,462,000 and the British government is paying $525 per ton for electrolytic copper, and $515 per ton for other kinds. The maximum quantity that may be delivered by the Australian producers is 20,000 tons and the minimum 15,000 tons. If the maximum is exceeded the surplus will be taken by the government at a price to be negotiated later.

A Reflex of War

Reports of strained relations between Holland and Germany found reflection in the stock market yesterday in the selling of shares of the Royal Dutch Petroleum Company. On a turnover of 1,500 shares they declined 3⅝ points to 73¾, which compared with a high of 77¼ in February. The 222,000 shares of Royal Dutch stock listed here were issued in 1916 against 74,000 shares deposited in Amsterdam. The Royal Dutch owns property in the Dutch Indies, Rumania, Russia, Egypt, Panama, Venezula, Mexico and the United States.

Distillers' Stock Recedes

After selling at 52⅛, a new high price for the year, Distillers' Securities dropped back at the close to 49 for a net loss of 1⅛ points. The break followed shortly after publication of reports that the government may fix the price of alcohol, of which the company is now making a considerable amount for use in the manufacture of munitions. The turnover in the stock amounted to 49,000 shares, compared with 37,300 for Steel common.

Dividends

Pennsylvania Coal & Coke Corporation.—An extra dividend of 1½ per cent has been declared in addition to the quarterly dividend of 1½ per cent, both payable May 10 to stockholders of record May 6.

American Brass Company.—Extra dividend of 3½ per cent in addition to the regular quarterly dividend of 1½ per cent has been declared, both payable May 15 to stockholders of record April 30.

Gulf States Steel Company.—Stock dividend of 25 per cent in common stock, payable June 3 to common stockholders of record May 15.

Extra Dividends

Aurora Automatic Machine Company.—An extra dividend of 5 per cent, payable May 4.

Regular Declarations

Detroit United Railways Company.—Quarterly dividend of $2 per share, payable June 1 to stockholders of record May 16.

Esmond Mills Company.—Quarterly dividend of 1¾ per cent on the preferred stock, payable May 1 to stockholders of record April 23.

Greene Cananea Copper Company.—Quarterly dividend of $2 per share, payable May 27 to stockholders of record May 10.

Lehigh Coal & Navigation Company.—Quarterly dividend of 2 per cent, payable May 31 to stockholders of record April 30.

United Wire Supply Company.—Quarterly dividends of $1 per share on the common, 1¾ per cent on the preferred and 1½ per cent on the senior preferred stocks, all payable May 1 to stockholders of record April 23.

Consolidated Gas Company.—Quarterly dividend of 1¾ per cent, payable June 15 to stockholders of record May 9.

Harmony Mills.—Dividends of 2 per cent on the common and 1¾ per cent on the preferred stocks, both payable May 1 to stockholders of record April 25.

Ohio Cities Gas Company.—Quarterly dividend of $1.25 per share on the common stock, payable June 1 to stockholders of record May 17.

Dominion Glass Company.—Initial dividend at the rate of 4 per cent per annum on the common stock has been declared.

Norfolk & Western Railway Company.—Quarterly dividend of $1.74 per share on the common stock, payable June 19 to stockholders of record May 31.

Cleveland & Pittsburgh Railroad Company.—Quarterly dividends of 1¾ per cent on the guaranteed stock and 1 per cent on the special guaranteed, both payable June 1 to stockholders of record May 10.

Cripple Creek Central Railway Company.—Quarterly dividends of 1 per cent on the preferred stock and 1½ per cent on the common, both payable June 1 to stockholders of record May 15.

Silver Starts to The Melting Pot

Large Amount Sent to Assay Office To Be Converted Into Bars

Transfer of 25,000,000 of the 90,000,000 of silver dollars stored in the vaults of the Sub-Treasury to the melting pots of the Assay Office next door began yesterday. From now on the machinery of the local plant will be operated twenty-four hours a day, converting the coin into bar silver. This represents a portion of the 350,000,000 silver dollars that are to be melted down in several government plants throughout the country in accordance with the provisions of the silver legislation enacted by Congress at the request of the Treasury Department.

The first of the silver dollars to be converted into bullion were shovelled into the melting pots early yesterday afternoon, and it is expected that during the course of the next few weeks the crucibles will be kept red-hot turning coin into bar silver. Superintendent Bovie said yesterday that it is estimated that the Assay Office can with its present capacity melt down about 600,000 silver dollars a day. At the same time, the normal activities in the way of melting and refining metal will be continued. The plant is being used on an increasing scale in melting and refining the platinum that has been commandeered by the government.

Whether the whole 90,000,000 of silver dollars held in the Sub-Treasury vaults will be melted down is not known at the local offices, the present programme calling for handling only 25,000,000 of the total. Officials of the Assay Office admit that the task of melting down the coin presents serious difficulties owing to the limited equipment of the local plant and the shortage of labor. Greater operations, it is stated, will be undertaken at the Philadelphia and Denver mints, where the facilities are much greater.

The Pittman silver bill, which became a law this week, provides for the withdrawal from the Treasury of 350,000,000 silver dollars, to be melted into bullion to meet foreign trade balances. The silver to be used represents metal that has heretofore been held on deposit with governmental agencies against silver certificate circulation. The silver thus withdrawn and melted down must be restored through the purchase of metal in the open market at $1 an ounce. Federal Reserve banknotes will be substituted for the silver certificates withdrawn from circulation.

News Digest

Foreign

Mexican Railway Directors.—MEXICO CITY, Wednesday, April 24.—Directors of the National Railways of Mexico for the ensuing year were elected to-day. The Mexico City board is composed of Justo Avecedo, Carlos Negrete, Elias de Lima, Aquiles Elorduy, General Pablo Gonzales, Fernando Gonzales Roa, Mario Mendez, Rafael Nieto, Alberto J. Pani, Francisco Puga, Ignacio Rodriguez, General Jacinto Trevino.

Henry Bruere, Alfredo Caturegli de la Huerta, J. J. Hanauer, Jesse Hirschman, T. P. Honey, L. F. Loree, Walter T. Rosen and H. H. Wehrhane compose the New York board. No president was elected at the meeting.

London Market Quiet.—LONDON, April 25.—The stock market opened quiet to-day, but was firm throughout, and business was more active after the publication of Field Marshal Haig's report. In the gilt-edged section the feature was the strength in war loan issues. Dutch loans were lower owing to the political tension with Germany. Tin and copper shares improved.

Paris Bourse.—PARIS, April 25.—Trading was quiet on the Bourse to-day. Three per cent rentes were quoted 58 francs 75 centimes for cash; 5 per cent loan, 88 francs 65 centimes.

New York

Stock Exchange Members Disciplined.—Harold S. Frankenheimer and F. L. Seligsberg have been suspended from the privileges of membership on the Stock Exchange for a period of one year. The former joined the exchange on January 12, 1911, and Mr. Seligsberg on October 7, 1897. The charge against the two was "conduct detrimental to the best interests of the exchange."

Insurance Companies' Assets.—A compilation by the New York State Superintendent of Insurance giving the assets of companies other than life and fire underwriters shows that on December 31 last they owned stocks and bonds valued at $183,837,975, mortgage loans amounting to $12,500,211 and cash totalling $26,776,688. The Travelers' Insurance Company of Hartford (accident department) stood first, with $28,800,739, of which $19,843,347 was in stocks and bonds and $3,482,726 in cash.

Moore & Schley Expand.—Announcement was made by this firm yesterday that arrangements had been made to take over the business of Richmond & Myles on May 1. The latter, in addition to being members of the Stock Exchange, conduct an extensive curb business. It is the intention of the consolidated firm to continue that business as a special department. Evander B. Schley, who is a special partner of Richmond & Myles, will retain the same interest in the reorganized firm, the active members of which will be Kenneth B. Schley, H. P. Chilton, L. Martin Richmond and Arthur Myles. The business of the new firm after May 1 will be conducted at 96 Broadway.

Of Interest to Soldiers.—The Irving National Bank announced yesterday that it had entered into a reciprocal agreement with Cox & Co., Ltd., Paris bankers, whereby each institution will act as the correspondent of the other in its respective country. Members of the American expeditionary forces will be provided with facilities for cashing their personal checks in any town in France. Cox & Co., Ltd., are the official army bankers for the British government.

25% Stock Dividend For Gulf States Steel

Directors of the Gulf States Steel Company declared yesterday a 25 per cent stock dividend on the common shares of the corporation. The action is subject to the approval of the capital issues committee. The dividend will be distributed on June 3 out of the common stock trust certificates now held in the treasury of the company. Substantially all of the common stock of the company is deposited under the voting trust agreement under which Alexander J. Hemphill, John W. Platten and Alfred A. Cook are the voting trustees.

TO THE HOLDERS OF SIX PER CENT SINKING FUND MORTGAGE TWENTY YEAR GOLD BONDS OF THE LYLE CLAY COMPANY DUE MAY 27th, 1929.

NOTICE IS HEREBY GIVEN that twenty-three bonds of the above described issue of the face value of $100. each, bearing the following numbers:

27	168	240	291	332	424
34	193	260	305	335	440
140	214	267	319	349	443
142	228	272	325	368	

have been drawn by lot for redemption from the amount to the credit of the Sinking Fund and will be paid for at the rate of $100. per Bond at the office of the undersigned, Trust Department, 60 Broadway, New York City, on the 27th day of May, 1918, on which date the said Bonds will cease to bear interest.

COLUMBIA TRUST COMPANY, Successor Trustee.
By GEORGE E. WARREN, Vice-President.
Dated, April 24th, 1918.

May Increase Cotton Commissions

A meeting of members of the Cotton Exchange has been called for May 6 to consider an amendment to the by-laws providing for an increase in the commission charged for future contracts whenever cotton sells above 20 cents a pound. The present commission for buying and selling a 100-bale contract is $20 to all non-members in the United States and Canada, and $10 to members. It is proposed to charge 1-10 of 1 per cent to non-members for all contracts entered into after June 1, and half that amount for members.

It is claimed by Cotton Exchange officials that the commission at the proposed rate would still be under what is charged for dealing in other commodities, such as corn, sugar, coffee and cottonseed oil.

Mexican Sisal Grass Exports Show Decrease

Mexico's exports of sisal during 1917 were the smallest in five years, being 38 per cent less than in 1916. The year's shipments aggregated 733,882 bales (bale averages 375 pounds), or 103,118 bales less than in 1916, 281,830 less than in 1914, 215,807 less than in 1915 and 457,601 less than in 1916. The value in 1917 was about $19,812,000 American currency. Sisal grass is used in the manufacture of binding twine.